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DCI

SENIOR MANAGEMENT CONFERENCE

TIME TABLE

Sunday, 5 June

1830-1900      Cocktails

1900-2000      Dinner

2000-2200      Topic: Arms Control and Intelligence: Near- and  
Long-Term Views (TAB A)

Discussion Leaders:

[REDACTED]  
Larry Gershwin

[REDACTED]  
Jimmie Hill

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## SENIOR MANAGEMENT CONFERENCE

## TIME TABLE

Monday, 6 June

0730-0830 Breakfast

0830-1015 Topic: Intelligence Implications of Soviet  
Domestic Changes (TAB B)Discussion Leaders: Bob Blackwell  
Doug MacEachin  
Paul Goble

1015-1030 Break

1030 Topic: Selected Intelligence Issues of Near-Term  
Concern (TAB C)

Discussion Leaders: Bill Kotapish

[redacted]  
Brig Gen Richard S. Beyea, Jr., USAF (ret)  
Oliver Revell  
[redacted]

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1230-1330 Lunch

1330-1430 Topic: Setting Priorities (TAB D)

Discussion Leaders: [redacted]

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1430-1515 Open Forum (TAB E)

1515-1545 Summary and Conclusions (TAB F)

1545-1600 Break

1600-1730 Topic: Congressional Perspectives (TAB G)Discussion Leaders: ~~Senator David L. Boren~~  
Congressman Louis Stokes  
Congressman Henry J. Hyde  
[redacted]

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TAB ASunday, 5 June2000-2200 Topic: Arms Control and Intelligence: Near- and Long-Term Views

## Discussion Leaders:

[redacted] Chief, ACIS

Larry Gershwin--NIO/SP

[redacted]--INF Treaty Monitoring Manager/DCI (DIA)

Jimmie Hill--USAF

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## OVERVIEW:

A look at the monitoring challenges that lie ahead will be the primary focus of this session. A brief discussion of the status of intelligence requirements and activities related to the Intermediate Nuclear Force Treaty will be followed by a lengthy discussion of START, its status and implications. Emphasis will be placed on determining just what it is that the Community feels it needs to do to meet known and projected START requirements given the likely outlines of an agreement. Some attention will be paid to support for the current negotiating effort, but the major stress will be on a treaty's near- and long-term impact on intelligence operations and analysis. The effects on collection, exploitation, production, and resources will be addressed in terms that will lead participants to address our investment strategy and individual organizational requirements. The session will continue with a brief look at other prospective agreements that could stem from talks on Defense and Space, Chemical Weapons, and the Threshold Test Ban.

DISCUSSION OUTLINE: (See next page.)

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## Arms Control and Intelligence -- Near- and Long-Term Views

- o Brief review of arms control discussions at the summit: START (strategic missiles), Defense/Space, Anti-ballistic Treaty Review, Chemical Warfare, and Nuclear Testing.
- o A likely course for US arms control decisionmaking on START and Defense/Space during the next two months and negotiations with the Soviets in the near-term.
- o INF: A test case for cooperative monitoring. What has been done to prepare for INF monitoring? What problems have arisen? What lessons have been learned for START? How big a drain on manpower and resources? Are we ready to meet our monitoring obligations?
- o Projected monitoring tasks for START: Mobile missiles, fixed site ICBMs, Sea-launched ballistic missiles (SLBMs), Sea-launched cruise missiles (SLCMs), air-launched cruise missiles (ALCMs), nondeployed missiles of all types.
- o The role of NTM in monitoring an INF and a START agreement: How well can current and planned NTM resources meet the projected monitoring tasks? How will arms control monitoring requirements impact on other collection requirements? And, to what degree should arms control monitoring requirements drive future NTM resources decisions?
- o The contribution of confidence building measures, including portal perimeter monitoring, suspect site inspection, and other on-site inspections to the monitoring regime.
- o Personnel and support resources required to meet our obligations for monitoring, analysis, and reporting under a START agreement (collection, exploitation, and analytic).

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**B**

TAB BMonday, 6 June0830-1015      Topic: Intelligence Implications of Soviet Domestic Changes

## Discussion Leaders:

Bob Blackwell--NIO/USSR  
Doug MacEachin--Director, SOVA  
Paul Goble--State/INR

## OVERVIEW:

This session will continue a discussion of the intelligence consequences of changes in the Soviet Bloc begun at last fall's conference. The principal theme will be the relationship between Soviet efforts at economic reform and Soviet foreign policy, with an eye to the impact of near and far term developments under Gorbachev. The success or failure of Soviet economic efforts and the implications of domestic restructuring will be discussed as a gauge to foreign policy posturing. A secondary theme will consist of a look at developments and trends in internal nationalism and ethnic problems. Again, a connection will be made to foreign policy. The intelligence collection and analysis problems raised by these issues need to be put in their proper perspective.

➤ Current collection and production priorities may need to be reassessed.

DISCUSSION OUTLINE: (See next two pages.)

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## TOPIC OUTLINE FOR SENIOR MANAGEMENT CONFERENCE

1. Introduction: Perspective on changes in Soviet internal, foreign, and national security policy and implications for collection and analysis.
2. Soviet system in crisis: The pressures for change (reform)--brief review.
3. Radicalization of reform agenda. More intent than reality. But appears aimed at substantial overhaul in way system works.
4. Obstacles to change: Brief overview with special emphasis on nationality problem.
5. New Thinking and the Implications for Foreign Policy: The New Detante.
6. Impact on National Security Policy: Party/Military relations in an era of scarcity. Perestroika for Defense.
7. Collection and Analysis: Problems and Approaches in a Period of Ferment.

NOTE: The three speakers will attempt to integrate their remarks into this format. Different people will take the lead on various issues with all three commenting on the last question.



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Soviet Nationality Problems Under Gorbachev:  
The Intelligence Challenge

I. The New Nationality Problem

- A. The highly visible public demonstrations are not the most important aspect of the nationality problem; to focus on them is to miss the real impact of ethnicity.
- B. Nationality problems pervade Soviet society, making any change more difficult than it would otherwise be.
- C. Nationality problems exist at every intersect of leadership policy and social conditions; in the last five years, both have changed dramatically.
- D. Nationality issues can be useful both in leadership competitions and in foreign policy; they are not only a liability.
- E. But reactions to ethnic issues can easily spill back over into all other areas of concern.

II. New Problems in Western Intelligence Coverage

- A. The essential paradox is that more can be known but that the intellectual basis for ordering the new information does not exist.
- B. The use of old principles of interpretation leads to answers which are obviously false.
- C. Most data on nationality questions will be from open sources, but neither USG nor academia is ready to cope with either the data or this fact.

III. Some Possible Solutions

- A. Recognition that exploitation will have to be done in-house; use of contractors will lead to radical shifts from one extreme to another.
- B. Recognition that nationality is an aspect of virtually all domestic and foreign policy questions rather than a residual category to be handled separately.
- C. Expanded exploitation of open sources and careful use of targets of opportunity abroad.

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TAB CMonday, 6 June1030-1230 Topic: Selected Intelligence Issues of Near-Term Concern1030-1110 Subtopic: Counternarcotics  
Discussion Leader  
Bill Kotapish--NIO/Counternarcotics1110-1150 Subtopic: Counterintelligence  
Discussion Leaders:  
[redacted] ADDO/CI/CIA  
Brig Gen Richard S. Beyea, Jr., USAF (ret)--  
D/CCISCMO  
Oliver Revell--Exec Asst Dir for  
Investigations, FBI1150-1230 Subtopic: Counterterrorism  
Discussion Leader  
[redacted] --SINIO/Counterterrorism, NSA

## OVERVIEW:

Selected issues that may demand greater management attention over the next six-to-nine months will be discussed. First, growing public sentiment to increase the US effort against illegal narcotics has been reflected in Presidential campaign speeches and issue discussions. It seems highly likely that policymakers in the next administration (no matter which party wins) will look to the Intelligence Community to play a greater role in that effort. Discussion will focus on the outlines of the Community's potential role and the possible implications for resources and organization. Second, the recent CIA reorganization of major aspects of the counterintelligence effort has created expectations that may be tested in the coming months. Even though the reorganization is barely begun, it is not too soon to review those expectations and look at areas that may give rise to requests for further resources or restructuring across the Community. Finally, support for counterterrorism activities is an area that may be thrust into prominence at any time. Discussion will center on the Community's current posture and the scope of demands likely to be placed on intelligence through the fall and winter.

DISCUSSION OUTLINE: (See next four pages.)

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The Intelligence Community Versus Illegal Drugs:  
Searching for the Optimum Role and Level of Effort

1. Hysteria and hyperbole aside, there remains much bad news on the counternarcotics front.
  - o From the demand reduction standpoint.
  - o From the supply reduction/enforcement standpoint.
  - o From the supply reduction/international standpoint.
2. Changing requirements and expectations affecting the Intelligence Community.
  - o National Drug Policy Board's emphasis on intelligence.
  - o Policymaker's changing perception of the drug issue.
  - o Demand for greater specificity in drug cultivation/production estimates.
  - o Requests for more detailed intelligence on major drug organizations.
  - o Regional versus single-country studies.
  - o Intelligence support to cost-effectiveness studies.
3. Requirements to be anticipated in the next year.
  - o To accommodate an expanded DoD role.
  - o To deal effectively with the next administration.
4. The legal frame of reference.
5. The needs of the future...where do we go from here?
  - o Need for a high-level statement of proper role and proper level of effort.
  - o Need for additional resources is apparent...just how much is not.

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- o The questions of who is in charge.
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## COUNTERINTELLIGENCE

- o Reorganization of CI within CIA--brief overview--provide organization charts and background for benefit of those who have not received or been briefed.
- o We expect CI Center to grow gradually through 1991. Such growth is essential if the Center is to have significant impact. Would like to grow faster but resource constraints militate against it, nor can we quickly harness the right mix of qualified personnel. As it is, even the modest increases planned are creating problems of space, positions, and funds.
- o Key feature of the Center is amalgamation of operational, analytical and security elements of the Agency; greatly improves coordination and provides multidisciplinary focus, which is new concept for us in CI. As we grow and gain experience, we plan to call on many of you for support in the form of detailees, to bring additional expertise and perspective to bear on CI problems.
- o In discussing "expectations," per the above, take care not to mislead anyone into thinking that the reorganization--important though it is--will solve all our problems, some of which will remain beyond our control. Our CI procedures must remain fully compatible with the values of our society and governmental system, with their emphasis on individual privacy and civil liberties. While the restrictions this imposes on our CI activities may occasionally be frustrating, in the long run our democratic values are perhaps the primary CI advantage we have: very few people in our government will ever have the inclination to betray their country. The paranoia which characterizes authoritarian systems and their intelligence services like the KGB leads ultimately to widespread disaffection which we have exploited with considerable success in our own recruitment operations over the years. We must and will avoid at all costs any tendency toward such an environment.

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## COUNTERTERRORISM

## I. Introduction and Background

## A. Recap of Recent Statistics

- International terrorist incidents and casualties are at an all-time high level.

## B. Trends in Terrorism

- Increasing frequency of attacks aimed at innocent bystanders and with the intent to cause mass casualties.
- Softer targets chosen.

## II. Continuing Issues

## A. State-Supported Terrorism

- Frequently more deadly and destructive than those of the lone actor.
- State support improves the capability of terrorist groups to operate outside their native regions.
- Economic, diplomatic, and military action has dampened Syrian and Libyan-sponsored incidents.

## B. Hostages in Lebanon

- Nine Americans remain captive in Lebanon.
- French deal on hostages complicates efforts to free others.

## III. Near-term Outlook: Upcoming Events and Trouble Spots

## A. Economic Summit in Toronto

- High potential but no known threats.

## B. Moslem Pilgrimage in Saudi Arabia

- Iranian agitation likely.

## C. Summer Olympics In South Korea

- Anxious moments ahead.

## D. US Presidential Elections and Inauguration

1987 &lt; 1986

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US 43

1/2 Pakistan  
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E. Arab-Israeli Conflict

- Palestinians vow reprisals against Israeli and possibly US targets for Abu Jihad assassination in Tunis.

F. Terrorism Hot Spots: Middle East and Asia

- Lebanon, Pakistan, Afghanistan

IV. Problem Areas

A. Dearth of indications and Warning

- Pre-incident knowledge scarce.

B. Intelligence Leaks

- Compromises information, sources and methods, and further limits I&W.


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TAB DMonday, 6 June1330-1430      Topic:    Setting PrioritiesDiscussion Leaders:  


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OVERVIEW:

The Intelligence Community is operating in a fiscally constrained environment which requires that close attention be given to relative priorities. In that context, the need for competitive analysis of intelligence questions will be discussed in this session. Emphasis will be placed on determining which issues really require multiple perspectives and, conversely, which issues can be assigned to a single agency or organization for analysis and production. The Community has also moved toward agreement that some new requirements cannot be taken on without sacrificing current work. Although some priorities for new activities and capabilities have been identified (in the National Foreign Intelligence Strategy, for example), little has been done to identify those areas that would be cut to make room for them--the low end of the scale. Discussion on this aspect of priorities will center on this low end and will seek to determine how to identify those subjects and areas where intelligence production should be stopped and if (how) the Community advises prospective consumers of this action.

DISCUSSION OUTLINE: (See next three pages.)  
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### Setting Priorities

- o Future fiscal environment grim
  - Two percent real growth not likely to survive new administration and new Congress
  - Current deficit problem being systematically avoided until after the election
- o Necessary to rethink how we have been doing business
  - Unrealistic expectations from eight years of plenty
  - No new tasks without new resources
  - Ideal solutions versus make-do solutions
  - Fair share approaches versus critical path investments (priorities)
- o Courses of Action
  - Priority setting  (will discuss)
  - Technology migration
    - Capitalize on other's investments
    - Adapt rather than reinvent
  - Improve productivity
    - Prune overhead (Publications and graphics, management organizations, headquarters logistics)
    - Cross-agency cooperations (R&D, technology sharing, all-source tasking, and analysis)
- o Community cooperation is the key to better performance with scarce resources
  - Mechanisms must be found to pool
    - Technology
    - Expertise
    - Knowledge
  - Impediments
    - Bureaucratic barriers
    - "Not invented here" psychosis
    - Turf protectionism
    - The big "scoop" syndrome
    - The "INT" blinders

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DDR&E Talking Points, DCI Off-Site Conference 5-6 June 1988

- o The fun part of this topic is not that we, in our own interest, have to do more on priorities--because of US budget pressures, US overseas commitments, and foreign developments. That all is clear and hard enough.

The really fun part is getting to the painful work of actually setting priorities: i.e., how? on what basis?

- o The idea of "setting priorities" really encompasses three concepts about our activities or coverage:

- Foregoing things at the margin.

- Allocating things within our overall effort.

- Enhancing things.

The rest of my talk applies to all three.

- o I have three basic, different ideas on implementation; namely, to use:

- Existing requirements.

- Existing priorities.

- Assessed gaps.

Each is a way to achieve something useful; none is ideal.

My punchline is to use gaps for allocating and enhancing coverage and priorities for foregoing coverage.

- o The first idea is to use the existing sets of National Intelligence Topics, and specific set of requirements, beginning with the needs for production.

This collapses immediately because the topics and requirements have no sense of relative importance (or priority) associated with them.

- o The second idea is to use the existing priorities we have in the Intelligence Community's reference on priorities: DCID 1/2, also known as the Foreign Intelligence Requirements Categories and Priorities (FIRCAP).

The FIRCAP is a giant, computer-based matrix where topics--by country and issue--are ranked in priority to US interests on a numerical scale of 1 to 7 (with 1 meaning "vital to US national security").

One problem: a lot of surgery here won't necessarily free much cash.

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For example, if we could limit our effort to FIRCAP entries on:

- All USSR topics.
- The obvious "high-priority" topics (e.g., drugs, terrorism, et al).
- All topics identified as at least "considerable importance" to US political, economic, and military interests (i.e., priority 4 and higher).

Then we would be addressing about 30 percent of the about 10,600 entries.

My guess is that the annual cost of handling the remaining 70 percent is maybe as much as [REDACTED]

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Such draconian reductions in coverage do not seem plausible, or worthwhile.

- o The third idea is to use assessed gaps.

This is not easy because we do not have at present any comprehensive, Intelligence Community references on gaps, although we are developing this capability as fast as we can at Intelligence Community Staff.

Moreover, this approach is labor intensive but could be done if we start with the priorities in the FIRCAP.

- o If I were king, I would use our prospective gaps, based on the key elements of the FIRCAP, stemming from our libraries of requirements, as the core from which we identify work we can safely and thoughtfully forego.

This is exactly the kind of step we undertook--but for new investments--with the DCI study in mid-1987, for the Senate Select Committee on Intelligence, on strengthening our capabilities against the Soviet military in the 1990s.

And we have available for use an Intelligence Community-wide mechanism--involving producers, collectors, and systems procurement folks--to attack this issue in a multidisciplinary, comprehensive, and definitive manner.

- o As we move down some road here, however, we ought to want to apply the results in a sequential manner all the way back to collection.
  - The idea being that if we are going to stop all or some of our analytic work on some issue--say, Egyptian economic performance--then we ought to also stop producing raw intelligence data and stop collection too.
  - In such a world, as long as Egyptian economic performance remains sort of as it is, no one gets a dime to spend on the topic.

- o And whatever we do, we will be revitalizing and using the SIG(I) mechanisms to keep our policy colleagues aware of what we think we are not going to be doing for them--they may want to try to change our minds.

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TAB E

Monday, 6 June

1430-1515      Open Forum

OVERVIEW:

The DCI will give the conference participants an opportunity to raise additional topics/issues of broad Intelligence Community management interest.

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TAB F

Monday, 6 June

1515-1545      Summary and Conclusions

Judge William H. Webster, Director of Central Intelligence

OVERVIEW:

The DCI will ask conference participants for any summary remarks or evaluative comments regarding the conference.

The DCI will then present his overall conference summary and conclusions and set the stage for the Congressional Perspective session which will follow the break.

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TAB GMonday, 6 June1600-1730 Topic: Congressional Perspectives

## Discussion Leaders:

Senator David L. Boren  
Congressman Louis Stokes  
Congressman Henry J. Hyde

## OVERVIEW:

The Chairman of the Senate Select Committee on Intelligence, the Chairman of the House Permanent Select Committee on Intelligence, and the Ranking Minority Member of the House Permanent Select Committee on Intelligence will discuss Congressional perspectives on the Intelligence Community and its future needs. The session will first assess the current view from the Hill and then move to a discussion of the future, including problems, trends, and likely developments. Key areas to be reviewed include the implications of fiscal constraints and the relationship between intelligence collection and production requirements and intelligence systems.

DISCUSSION OUTLINE: (See next five pages.)

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An outline of the Congressional leaders' opening remarks is not available, but we expect them to be keyed to the agenda description above. The following topics are of particular interest and can be used to stimulate discussion if they are not adequately treated in the legislators' opening comments.

- o Arms Control. INF and START developments have begun to clarify the monitoring load that will be placed on the Community. The related resource impact is one of the most difficult issues facing intelligence for the near- and mid-term. What is the Congressional perspective on the Community's likely monitoring charge and what are the implications and prospects for the budget?
- o Setting Priorities. The constrained resource environment compels a hard look at collection and production priorities. To do that we need a good sense of both requirements and the places where we can prune current efforts. As part of that effort we need a sense of how the Congress evaluates the intelligence process. What are the Congressional perceptions on how the Community is doing its job and which areas do they think may need either more or less emphasis? As we look at expanding requirements and constant or diminishing resources, what are the Congressional views on how we can sharpen priorities?
- o The Soviet Target. Questions exist as to whether and how the Soviet target will change as a result of Gorbachev's perestroika. We now spend about half of our target effort on the Soviet Union. What do the legislators think is in the cards for the future?
- o Oversight. Oversight is the main theme for the Community's relationship with the Hill. Where is oversight going in the future? Are there any trends or currents of thought that are useful to talk about? (See also a specific, more narrowly focused OCA writeup on this topic on the next page.)
- o Leverage. Finally, one of the main jobs of intelligence is to help make a difference as policy is formed. One important aspect of that job is to focus on areas where intelligence can contribute leverage. Where do the Congressional leaders think the best opportunities are for US intelligence to gain such leverage--arms control, international trade and economics, terrorism, narcotics, others?

In addition to these general topics, the Director of Congressional Affairs has furnished talking points on the following specific issues for possible discussion.

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LEAKS LEGISLATION

Some of you may have been informed that a proposal to criminalize unauthorized disclosure of classified information received under the Intelligence Oversight Act failed in a tie vote in the House Intelligence Committee last month. The proposal would have applied to Senators, Congressman, or their Staffs. The sponsors of the proposal have indicated they intend to raise the matter as an amendment to the Intelligence Oversight Bill when that Bill reaches the floor of the House.

This legislation is unique in that it would apply criminal sanctions to the unauthorized disclosure of classified information to the media by members of Congress or their Staffs.

- o I would be interested in obtaining your views, Chairman Stokes, on this proposal, now that you have had time to study the proposal?
- o I recognize, Chairman Boren, that you have not had time to study the proposal, but would you support the concept of such a proposal in a House/Senate Conference on the Intelligence Oversight Bill?
- o Should the proposal be modified to make clear that it would apply to Executive Branch officials who disclose classified information received by Congress under the Intelligence Oversight Act?
- o Should consideration of this proposal be postponed pending a decision by the Supreme Court in the Morison case on whether the Espionage statutes cover unauthorized disclosures of classified information to the media?
- o As a general matter, what reception would any form of "leaks" legislation receive in Congress in the existing political environment?

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INTELLIGENCE OVERSIGHT LEGISLATION

As many of you are aware, the Congress has been considering for some time legislation that would change the existing intelligence oversight laws. The Senate has already passed its version of the legislation, and we expect the House itself will act on a somewhat different version of the bill the summer.

We have worked closely with the House and Senate Intelligence Committees on this legislation to ensure that the legislation would not inadvertently jeopardize our authority to protect sensitive intelligence sources or change the existing framework for determining whether an activity is a covert action. Our one remaining concern is the requirement without exception to notify the intelligence committees, or the Congressional leadership, of a covert action within 48 hours of the President signing the Finding.

Because of the 48-hour notification requirement, the President has indicated that he would veto the legislation should it reach his desk.

Given the presence of Chairman Boren, Chairman Stokes, and Ranking Minority Member Hyde, I thought this would be a good opportunity to pose some questions on the bill to those most capable of providing informed answers.

- o What are the prospects in the House or Senate that a veto will be overridden?
- o Is there a compromise possible on the issue of notification within 48 hours of a Presidential Finding?
- o Would you be willing to consider delayed notification for longer than 48 hours in situations where another country has conditioned their support of a covert action on the President delaying notice to Congress?
- o Would you be willing to accept delayed notification in circumstances where the premature disclosure of an operation could lead to the deaths of innocent individuals?
- o Would you consider a provision that would require the President to notify you of the existence of a Finding, but not its content. (Such an amendment failed by large margin in the Senate.)

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CONGRESSIONAL INITIATIVES ON "DRUG" ISSUES

It appears this will be the year of "drugs". The issues is on the public's mind and the Congress has before it many aspects of the problem, some of which will undoubtedly affect the Intelligence Community.

Given the composition of the group here tonight, I thought this would be a good opportunity to raise issues both the Congress and the Executive Branch will be facing in the next few months.

- o Current Community Efforts to Support Law Enforcement. I think we have to begin with the current extent of Community support to law enforcement, antidrug activities. Is it enough? Should it be strengthened? If so, how? If you involve intelligence sources in criminal prosecutions, you have obvious problems--can these be overcome?
- o "Raiding" the Community Budget. The Community budget, because of its size, could be a target for reallocation of funds to support the antidrug effort--is this a serious threat?
- o Use of the Military. The Congress is facing the issue of how much the military will become involved in the antidrug interdiction effort. Do the proposals likely to see action adversely affect the Community?
- o Penalizing Specific Countries. As you know, one reaction to the supply side of the drug problem is to cut off US assistance to individual countries which do not meet drug-reduction goals. When there are intelligence equities at stake in that same country, problems can occur. Are we likely to see more of this country-by-country approach and, if so, how can we best deal with it?

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